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Outside Analysts Provide State-by-State Breakdown of Possible Tax Cuts

**Democrats' Opposition to Tax Cuts
Could Cost Citizens of Some States Billions**

Too often in the halls of Congress, debate on the federal budget takes on a disembodied nature — simply shifting hundreds of billions of dollars from one government category to another — with little discourse on where the money comes from, or, in the case of a tax cut, to whom it would return.

It is time to return the tax-cut debate to earth. An independent think tank, the Heritage Foundation, has compiled a state-by-state breakdown of what various types of tax relief could mean — to the taxpayers who paid it. The tax cut included in the recently passed budget resolution — \$142 billion over the next five years and \$778 billion over the next ten years — would have a real impact on real citizens in the 50 states who send their hard-earned money to Washington. Proposed tax cuts, such as marriage-penalty relief when fully phased in, could annually mean \$1.8 billion from New Yorkers stay in New York, and some \$3.1 billion from Californians remain with Californians. That's coast-to-coast middle-class tax relief.

Democrats Don't Want to Return the Overpayment

Surprisingly, Democrats don't see coast-to-coast middle-class tax relief as significant. Or at least not significant enough to support. Every Democrat opposed and every Republican supported the final budget resolution for next year and its \$778-billion tax cut. Time and time and time again during the budget debate, Democrats proposed amendments opposed to tax relief. In fact, nearly every amendment to eliminate or reduce tax relief received at least half of the minority party members' support. Here are some of the key anti-tax-relief votes:

Kerry amendment: *To postpone tax relief* for a year if CBO estimated that it would result in on-budget spending. The key word here is "postpone." CBO has already estimated that the budget resolution and its tax cut *will not* result in any on-budget deficits, and that the budget will have an on-budget surplus of \$92 billion over the next 10 years. *Every Democrat supported this anti-tax-cut amendment.*

Kennedy Amendment (offered by Senator Lautenberg): *To reduce the tax cut by \$157 billion over 10 years to pay (in part) for an unauthorized mandatory spending program claimed to reduce classroom size. The budget already contains a significant spending increase in education — \$47 billion, an amount which is \$21 billion more than Clinton requested. Every Democrat supported this amendment.*

Reed Amendment: *To reduce the tax cut by \$64 billion to increase federal spending on community development. Spending in this area of the federal budget amounts to \$11.7 billion this year. Over 10 years, this amendment proposed to increase community development spending by more than 50 percent. Every Democrat supported this amendment.*

Kennedy Amendment: *To cut tax relief by \$320 billion and express the Sense of the Senate that the money should be used for Medicare. Of course, the underlying budget resolution already funded the Medicare program for 10 years and current surpluses by law could not help Medicare's future funding constraints. Every Democrat supported this amendment.*

Conrad Amendment: *To cut tax relief by \$320 billion and establish a Medicare reserve fund. We repeat: current surpluses could not help Medicare's future funding constraints. Every Democrat supported this amendment.*

Lautenberg Amendment: *To prohibit tax relief until Social Security and Medicare reform are enacted. This despite the fact that the President himself has not proposed real reform of either program; meanwhile, the budget resolution fully funds both programs — while simultaneously protecting every cent of the \$1.8 trillion Social Security surplus over the next 10 years. Every Democrat supported this amendment.*

Hollings amendment: *To eliminate the tax cut in order to increase federal spending; the stated intent (although impossible to guarantee) was that any unused surplus would be used for additional debt reduction. No tax cut, more spending, and the possibility of debt reduction — where have we heard that before? Half of Democrats supported this amendment.*

Whose Money Is It, Anyway?

The debate over a tax cut shouldn't even be a debate. Even without counting one cent of the Social Security surplus, the federal budget can afford to return almost \$800 billion in surplus — an overpayment of income taxes — back to the families that earned it. In its truest sense, the debate isn't about billions of dollars at all. It's about millions of income-taxpaying families . . . families that will be denied return of their overpayment if the Democrats get their way.

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Attachments: State-by-state breakdown of effect of marriage penalty,
prepared by the Heritage Foundation

Estimated Effect of Eliminating the Marriage Penalty on Tax Brackets

FY 2003 Total Tax Savings by State (In millions of dollars)

State	Dollars
Alabama	401.5
Alaska	82.1
Arizona	434.2
Arkansas	213.7
California	3,065.8
Colorado	445.3
Connecticut	443.5
Delaware	80.1
District of Columbia	62.0
Florida	1,458.2
Georgia	770.3
Hawaii	111.9
Idaho	70.3
Illinois	1,394.3
Indiana	639.5
Iowa	297.1
Kansas	278.2
Kentucky	371.4
Louisiana	373.6
Maine	100.3
Maryland	609.8
Massachusetts	710.4
Michigan	1,161.9
Minnesota	562.5
Mississippi	198.3
Missouri	526.2
Montana	51.5
Nebraska	153.3
Nevada	151.2
New Hampshire	118.9
New Jersey	1,181.4
New Mexico	133.5
New York	1,839.8
North Carolina	704.3
North Dakota	67.3
Ohio	1,060.4
Oklahoma	316.0
Oregon	298.7
Pennsylvania	1,289.8
Rhode Island	110.0
South Carolina	347.1
South Dakota	61.5
Tennessee	596.0
Texas	1,924.4
Utah	132.4
Vermont	74.0
Virginia	808.8
Washington	577.1
West Virginia	140.7
Wisconsin	551.5
Wyoming	48.1
United States	27,600.0

Estimated Effect of Eliminating the Marriage Penalty on the Standard Deduction

FY 2003 Total Tax Savings by State (In millions of dollars)

State	Dollars
Alabama	108.8
Alaska	17.6
Arizona	74.4
Arkansas	63.8
California	440.9
Colorado	74.0
Connecticut	43.2
Delaware	12.0
District of Columbia	5.3
Florida	377.7
Georgia	159.9
Hawaii	26.4
Idaho	20.0
Illinois	269.5
Indiana	193.5
Iowa	87.3
Kansas	78.0
Kentucky	116.1
Louisiana	115.1
Maine	33.1
Maryland	70.3
Massachusetts	117.0
Michigan	231.6
Minnesota	87.4
Mississippi	66.1
Missouri	141.0
Montana	16.6
Nebraska	51.7
Nevada	40.5
New Hampshire	34.9
New Jersey	125.7
New Mexico	38.2
New York	256.7
North Carolina	182.1
North Dakota	19.7
Ohio	275.9
Oklahoma	98.7
Oregon	52.4
Pennsylvania	296.0
Rhode Island	15.4
South Carolina	65.3
South Dakota	28.8
Tennessee	194.0
Texas	543.6
Utah	42.3
Vermont	17.1
Virginia	124.1
Washington	146.6
West Virginia	62.4
Wisconsin	121.9
Wyoming	19.0
United States	5,900.0